

USMC Audit Readiness



**Presented To:
OMB
6 June 2008**

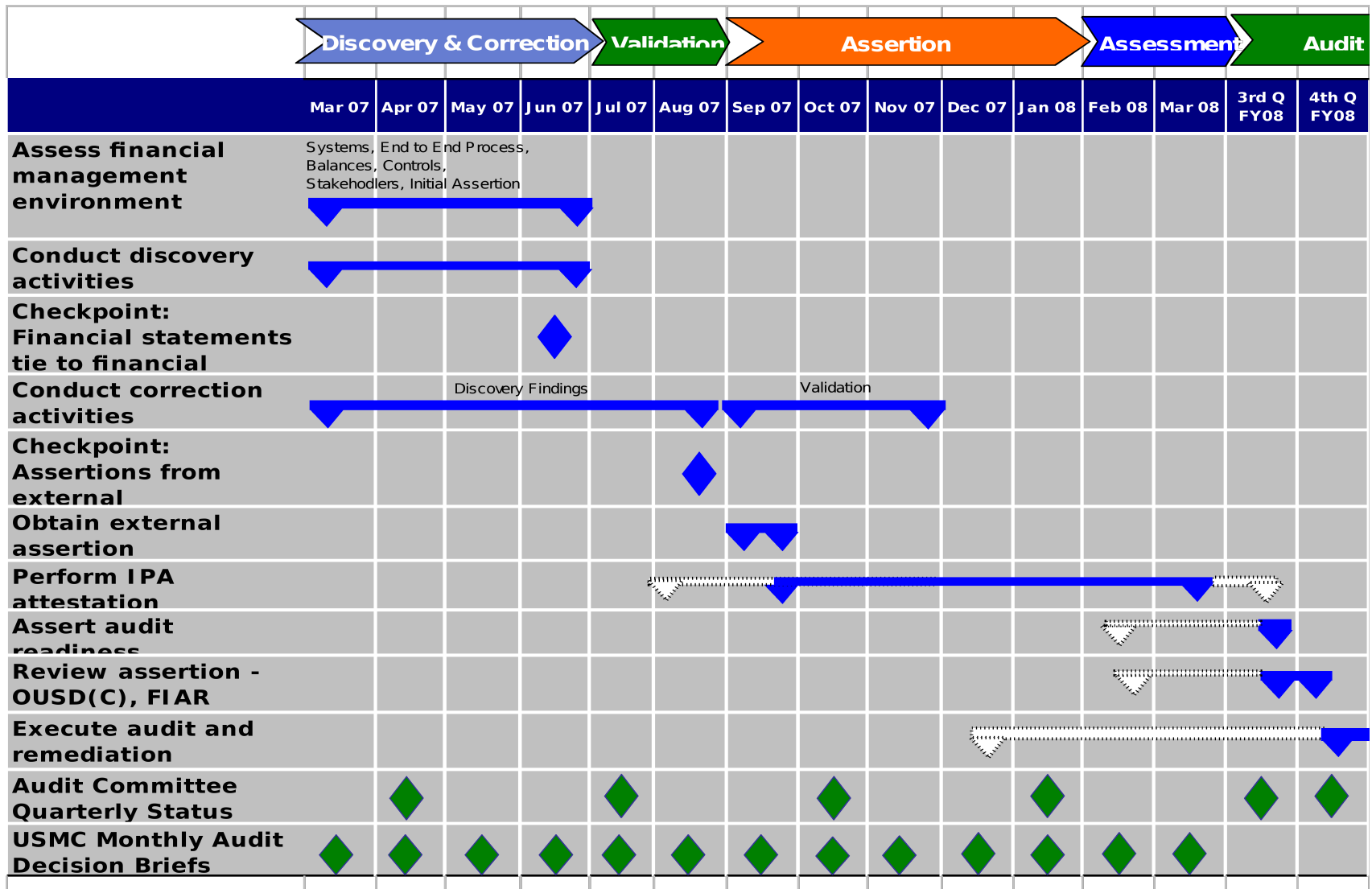


Agenda

- USMC Plan
- USMC Environment
- Transaction Linkage
- Current Status
- Where We Need Help



We Are on Track To Accomplish Our FY 08 Objectives (FBWT-Cash Recon, Compilation & SBR Assertions)



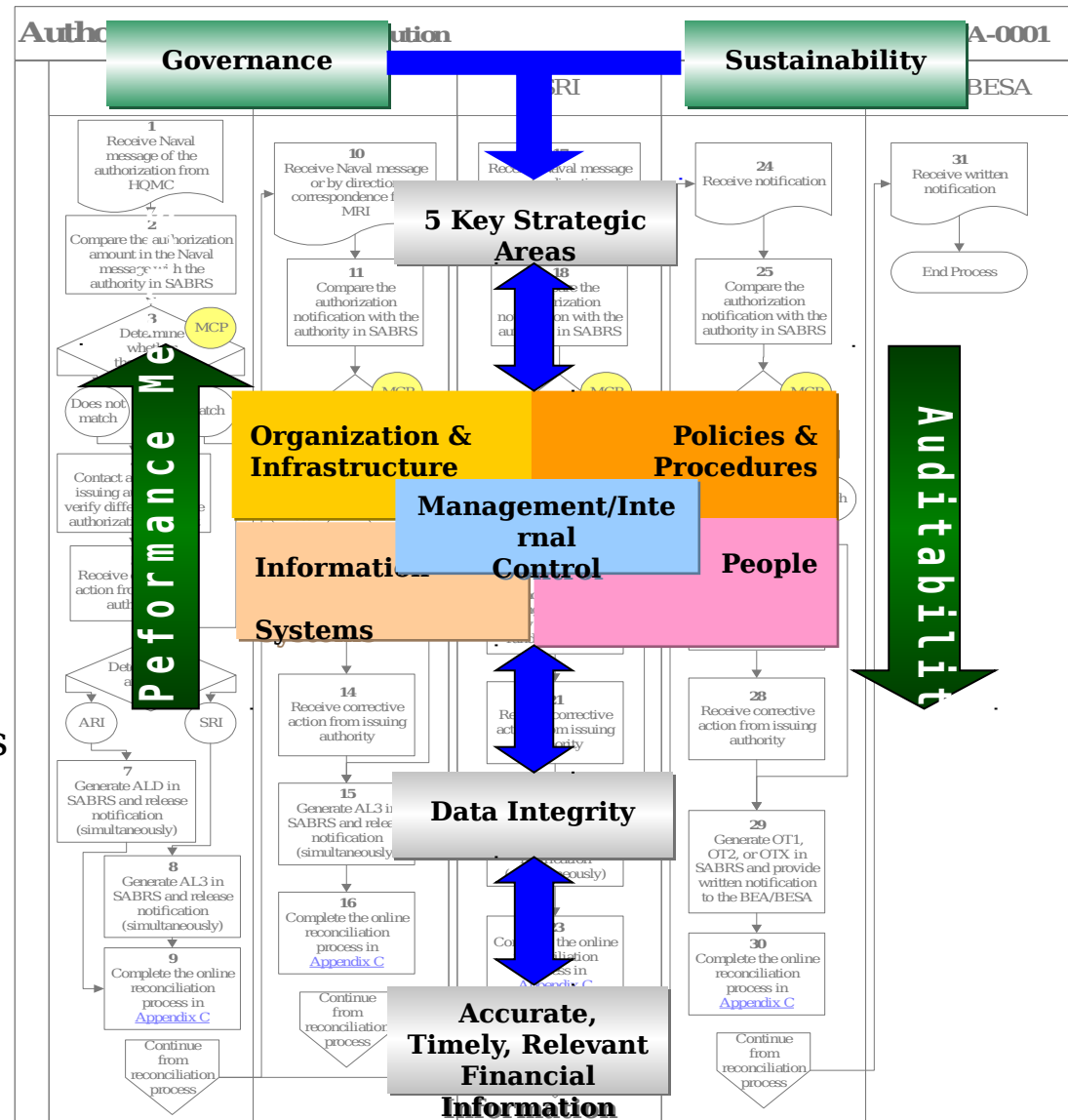


We Have Applied the “Auditor Lens” over all Business Processes

Looking at the Past Business



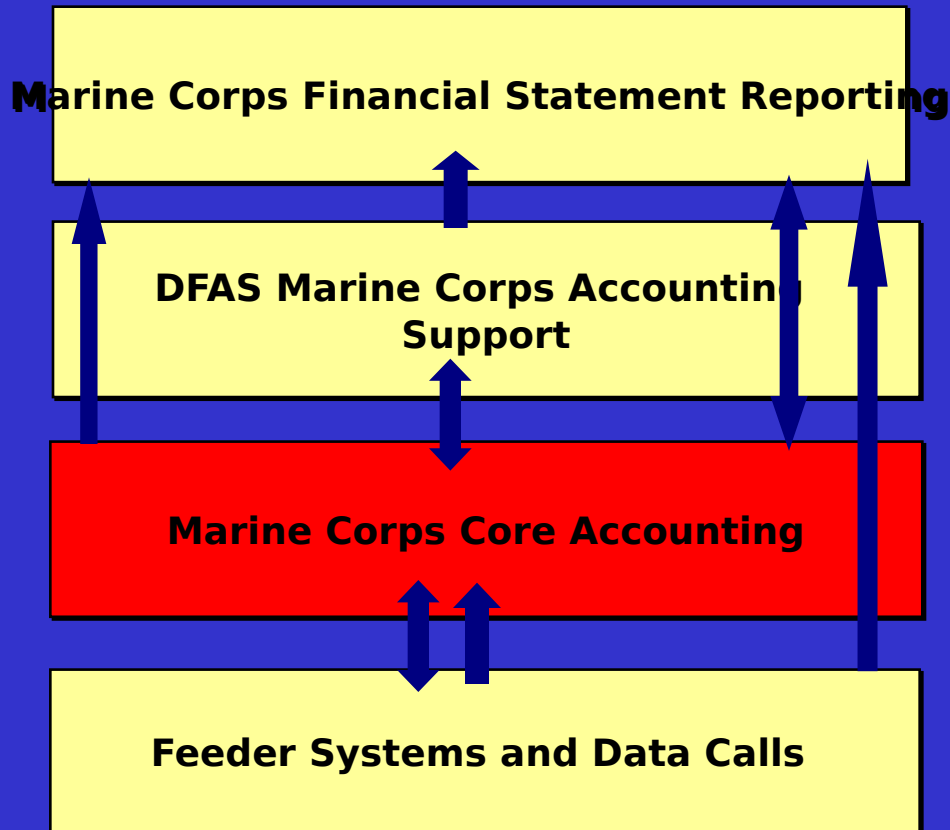
- Internal Controls
- Source Documentation
- Reconciliations
- Transactional Validity and Integrity
 - Completeness
 - Rights and Obligations
 - Valuation
 - Existence
 - Reporting





We Have Assessed Our Financial Management Enterprise and Identified Dependencies and Risks

Marine Corps Financial Management Enterprise



Enterprise Stakeholders

- Marine Corps
- DFAS
- DoN
- DoD

- DFAS

- Marine Corps

Tier 1 Systems (10) Data Call (12)
• Marine Corps • Marine Corps

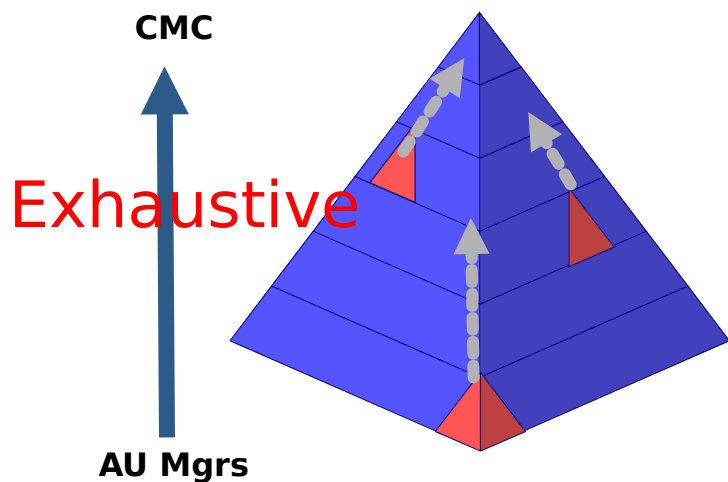
Tier 1 Systems (17) Data Call (61)
• DFAS • DFAS
• DoN • OPM
• BTA • DoL
 • DoN



We Have Implemented and Tested Internal Controls to Ensure Compliancy with Laws and Regulations and the Accuracy of What We Report

Overall Process

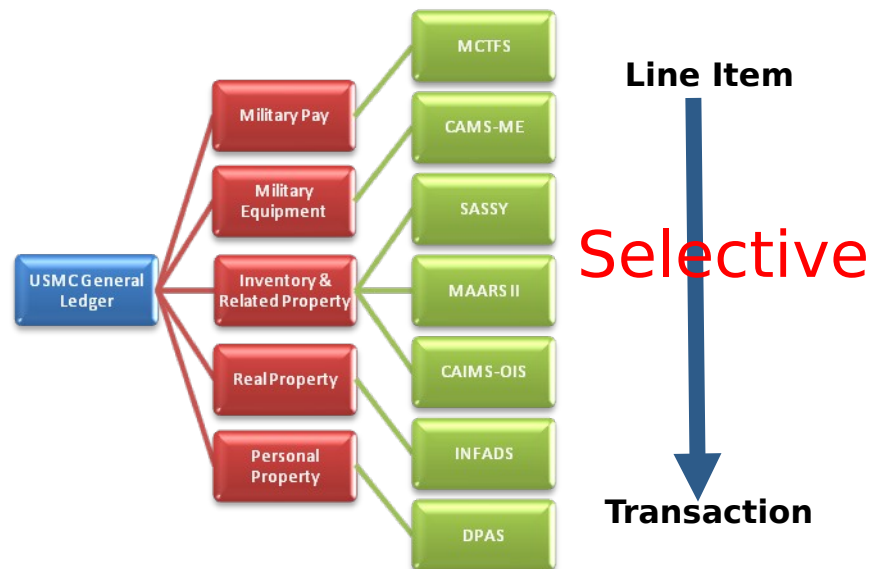
- Traditional Program
- Bottom up (Assessable Unit-based)
- ~5000 rolled-up SOAs
- Covers everything in USMC



ICOFR

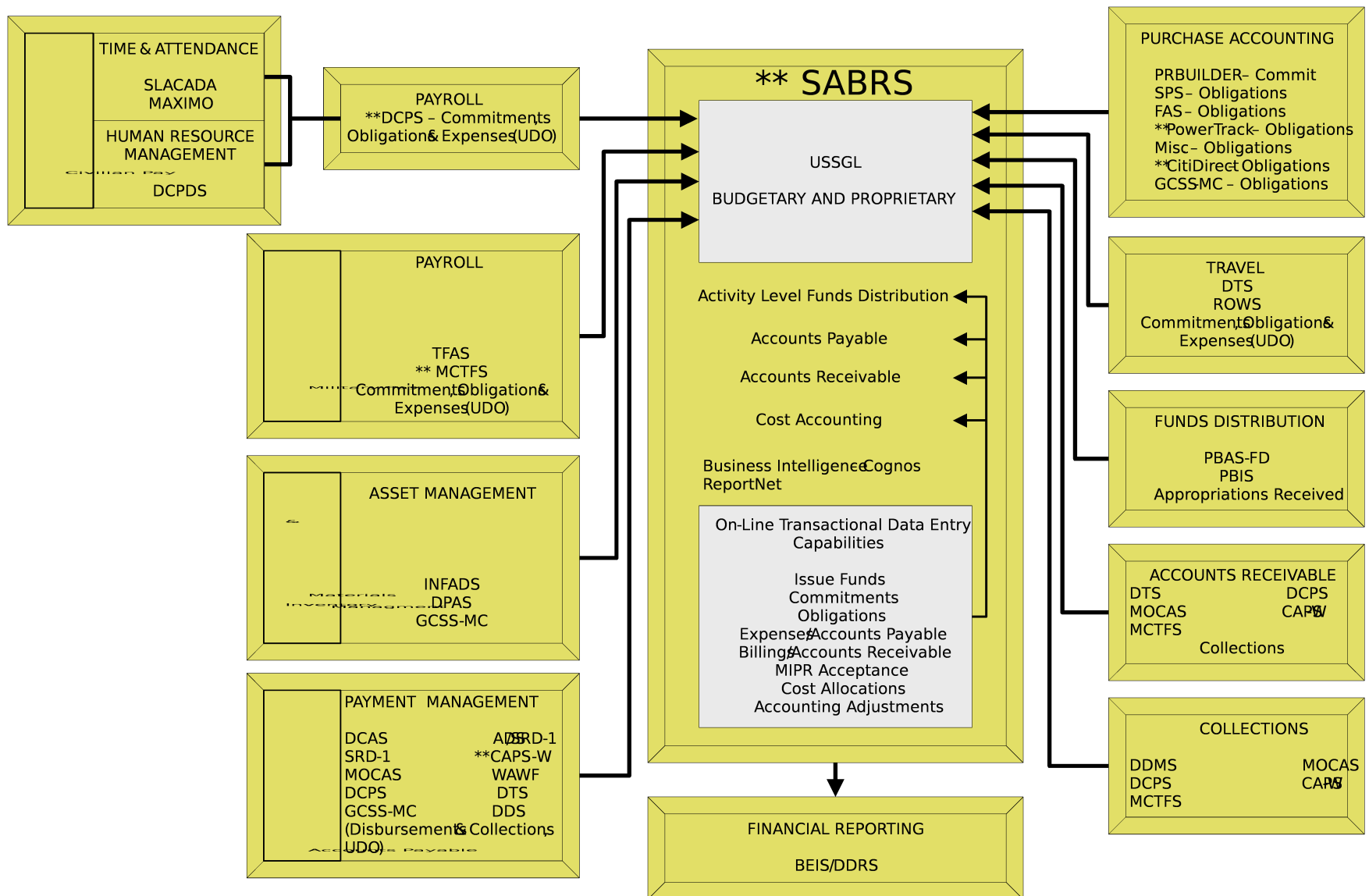
- New Program (A-123 Appendix A)
- 36 Key Controls
- USMC Wide Testing
- Resulting in 909 Test Results

Convergence





We Have a Highly Automated Systems Environment That Provides Traceability From Requirements Generation to the Financial Statements

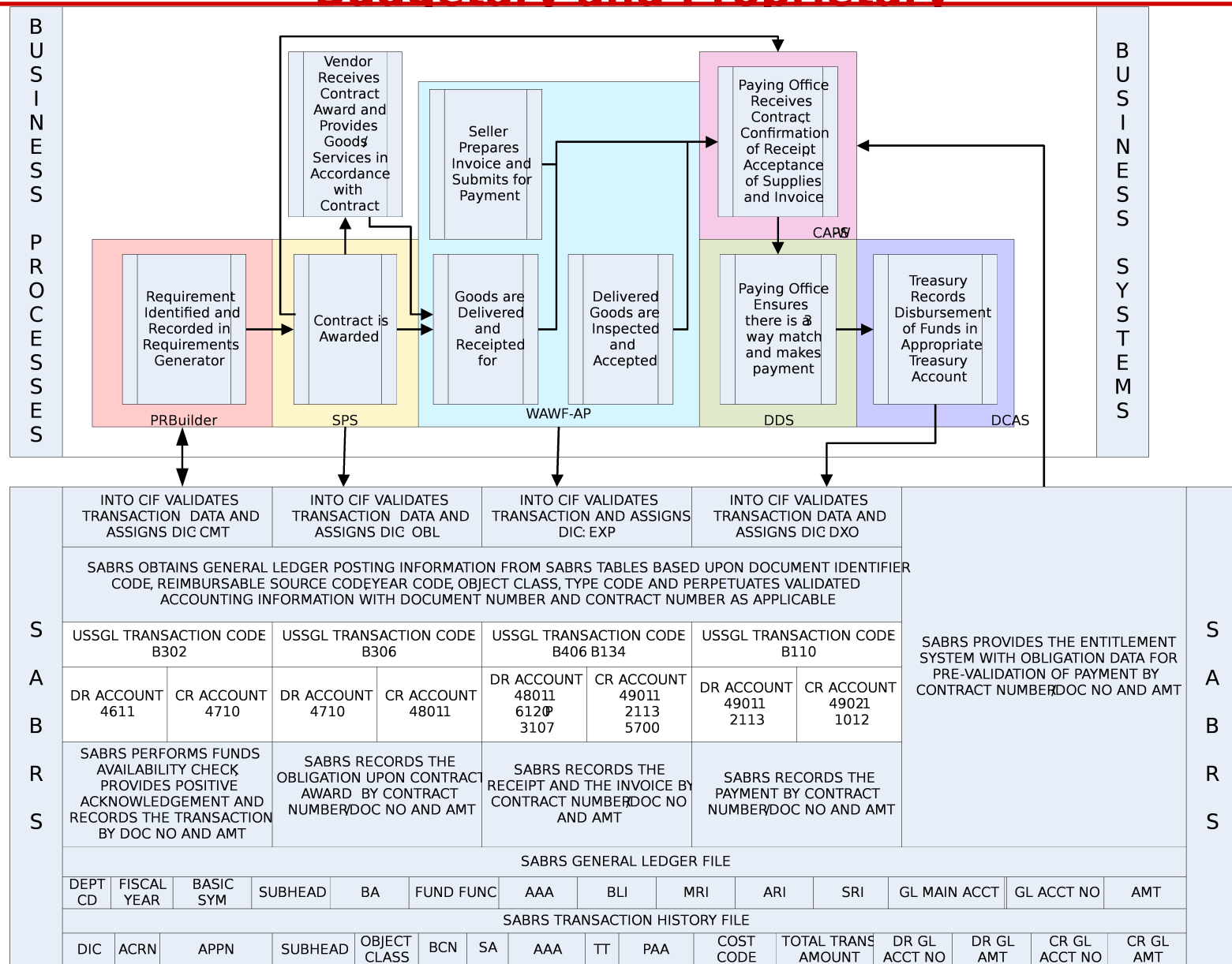


**SAS 70 or FISIO Testing Completed



We are Able to Trace Detail Transactions from Business Feeder Systems to the General Ledger, Both Budgetary and Proprietary

EXAMPLE OF CONTRACTING PROCESS





We Have Control Activities in Place to Help Ensure Accuracy and Reliability of Financial Management Data

- Monitoring and Control Activities (Management Oversight)**

Category	Control Type
Performance Reports	Detective
Tri-Annual Review Post Analysis	Detective
Inspections & Reports	Preventive and Detective
Standard Operating Procedures	Preventive
Training and Tools	Preventive

- Compensating Controls**

Automated Controls

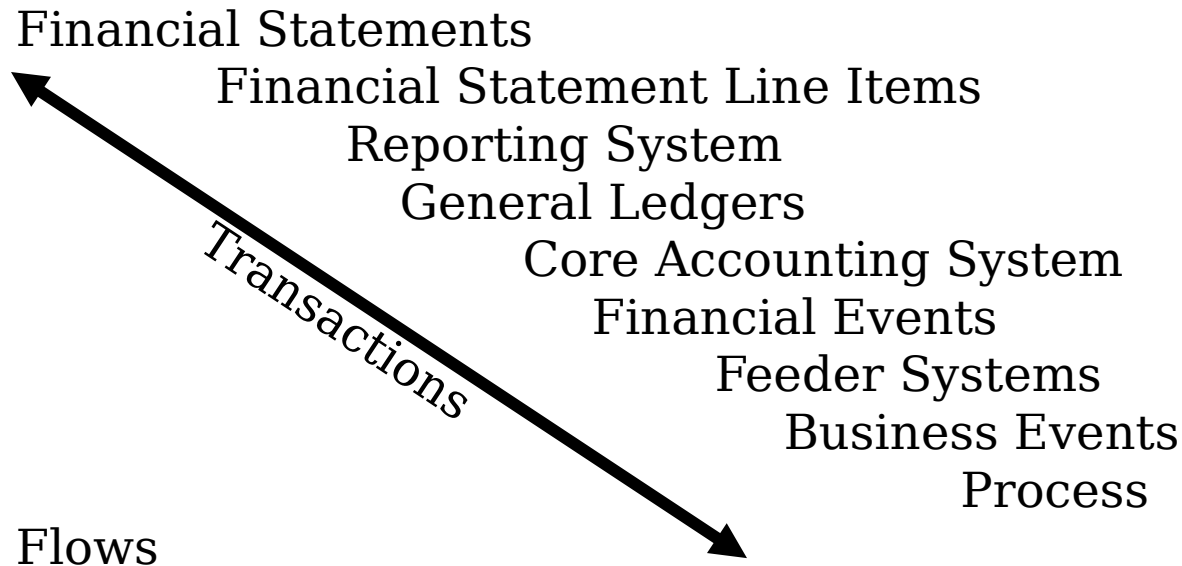
Category	Control Type
Data Validation and Edit Checks	Detective
Controls Over Interfaces from External Systems	Detective

Manual Controls

Category	Control Type
Daily Transaction Reconciliation	Detective
Tri-Annual Review	Preventive
Year-End Certification of Commitments & Obligations	Preventive



We Have Transactional Linkage and Can Walk Our Detail Transactions Forwards or Backwards (Detail Transactions Financial Statements)



- We have Linkage from the Detail Transactions to General Ledger to Financial Statement Line
- Reviewed, Tested and Validated by Deloitte Through Re-performance and Financial Statement Rebuild



Current Status of FY 08 Objectives

- | | |
|--|-----------------------------|
| <ul style="list-style-type: none">• Fund Balance w/ Treasury: Cash Reconciliation<ul style="list-style-type: none">➤ Fully reconciled and in agreement with U.S. Treasury control account schedules and OMB financial statement and note disclosure requirements➤ Control account records maintained in SABRS are in accordance with U.S. Treasury, USSGL, and Treasury Financial Management guidance <hr/> | Assertion Package Submitted |
| <ul style="list-style-type: none">• Financial Statement Compilation<ul style="list-style-type: none">➤ Documented process with management controls captured in a newly published Financial Statement Compilation SOP➤ Supports the Marine Corps' ability to provide a documented audit trail of the financial statement line accounts to SABRS <hr/> | Assertion Package Submitted |
| <ul style="list-style-type: none">• Statement of Budgetary Resources<ul style="list-style-type: none">➤ IPA Validation of Key Control Functions➤ Source Documentation Testing to Support Balances | In Process |



Remediation Activities

Plant, Property and Equipment -

- **Real Property**

- **Adds and Deletes - 2006 Forward Supported by 1354**
 - **Adds and Deletes Process Validated by NAS**
- **Working with NAVFAC to Obtain Supporting Documentation for 2002 through 2005**
 - **Alternate Valuation Cost Model Will be Applied where Documents are not Available**
- **Alternate Valuation Cost Model Applied to All Assets 2002 and prior**

- **Personal Property (Non-military Equipment)**

- **Reconciling Source Documents to DPAS**
- **Process Validated by NAS**

- **Military Equipment**

- **Adds & Deletes Process in Place 2006 Forward**
- **Baseline Completed 2006 and Submitted for DoD IG Review**
- **Tagging and Marking of ME In Process**



Where We Need Help

- **Military Equipment**
 - **Beginning Balances**
 - **Valuation of Deployed Assets**



Internal Controls, Financial Statement Compilation Processes Provide Strong Linkage Between Statement of Budgetary Resources and Balance Sheet

STATEMENT OF BUDGETARY RESOURCES (By Line Item)		BALANCE SHEET (By Line Item)	% of Assets or Liabilities + Net Position
BUDGETARY FINANCING ACCOUNTS		1. ASSETS (Note 2)	
		A. Intragovernmental:	
BUDGETARY RESOURCES		1. Funds Balance with Treasury	62.6%
1. Unobligated balance, brought forward, oct 1		4. Other Assets	0.3%
2. Recoveries of prior year unpaid obligations		B. Cash and Other Monetary Assets (Note 7)	<1%
3 Budget authority		C. Accounts Receivable (Note 5)	<1%
4. NONEXPENDITURE TRANSFERS, NET, ANTICIPATED AND ACTUAL		E. Inventory * Related Property	12.9%
5. TEMPORARILY NOT AVAILABLE PURSUANT TO PUBLIC LAW		F. General Property, Plant and Equipment (Note 10)	
6. PERMANENTLY NOT AVAILABLE		Real Property (Land, Buildings, Leasehold Imp, CIP)	8.3%
		Internal Use Software	
STATUS OF BUDGETARY RESOURCES		General Equipment	0.7%
8. Obligations incurred:		Military Equipment	13.3%
9. Unobligated balance:		Capital Leases	
10. Unobligated Balances Not Available		H. Other Assets (Note 6)	1.6%
		3. LIABILITIES (Note 11)	
CHANGE IN OBLIGATED BALANCE:		A. Intragovernmental:	
12. Obligated Balance, Net - beginning of period		1. Accounts Payable (Note 12)	0.5%
13. OBLIGATIONS INCURRED NET (+/-)		3. Other Liabilities (Notes 15 & 16)	0.5%
14. LESS GROSS OUTLAYS		4. Total Intragovernmental Liabilities	1.0%
16. Less: RECOVERIES OF PRIOR YEAR UNPAID OBLIGATIONS, ACTUAL		B. Accounts Payable (Note 12)	2.5%
		C. Military Retirement Benefits and Other Employment-Related	0.4%
17. CHANGE IN UNCOLLECTED CUSTOMER PAYMENT(+/-)		D. Environmental Liabilities (Note 14)	0.4%
18. OBLIGATED BALANCE, NET, END OF PERIOD		F. Other Liabilities (Note 15 & Note 16)	2.7%
19 NET OUTLAYS			
		5. NET POSITION	
		B. Unexpended Appropriations - Other Funds	59.7%
		C. Cumulative Results of Operations - Other Funds	32.8%

Baseline, Supporting Documentation

GCSS-MC, IUID, Baseline, Deployed Assets

Standard Accounting Budget & Reporting System (SABRS)	
Appropriations Received, Commitments, Obligations, Expenses, Liquidations, Accounts Payable, Accounts Receivable, Collections, Refunds, Advances and Progress Payments	
Financial Statement Compilation	
External Reported Financial Information Recorded at Time of Financial Statement Compilation , Military Retirement Benefits and Other Employment-Related, Actuarial Liabilities, Military Retirement Pensions, Military Retirement Health Benefits, Medicare-Eligible Retiree Benefits, FECA, VSIP, Dod Educations Benefits	
Internal Controls Infrastructure	
Preventive and Detective Controls, Monitoring, Management or Non-System Controls, Compensating Controls both Automated and Manual	



Questions ?

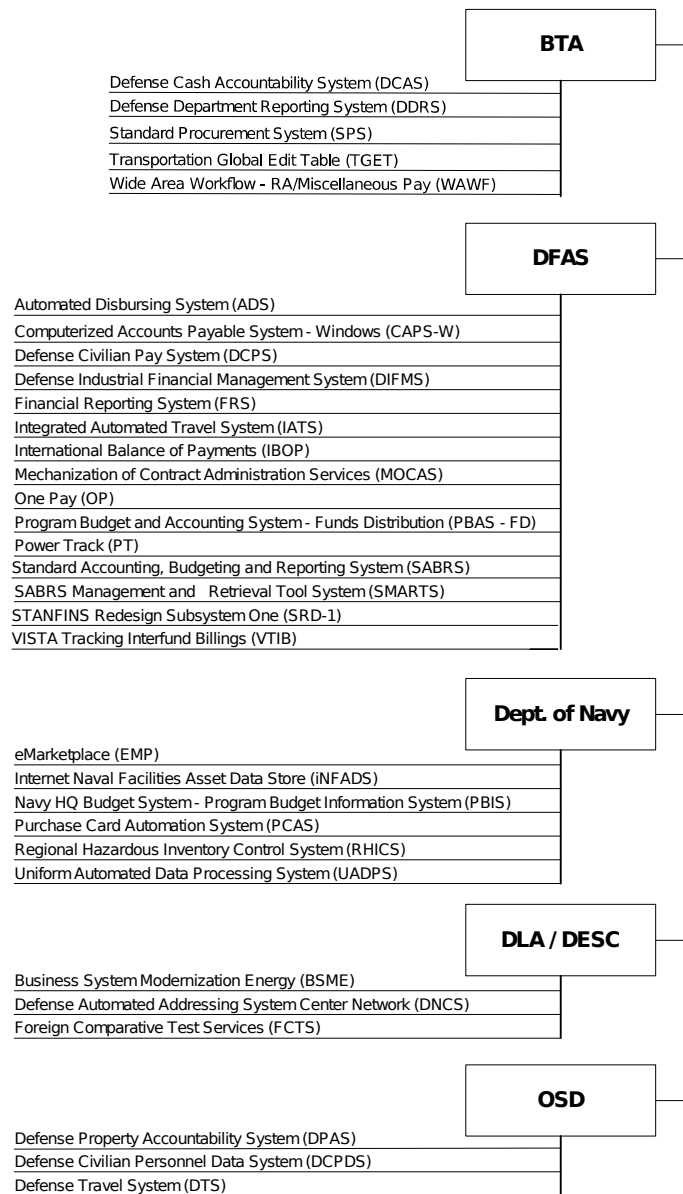


Backup Slides

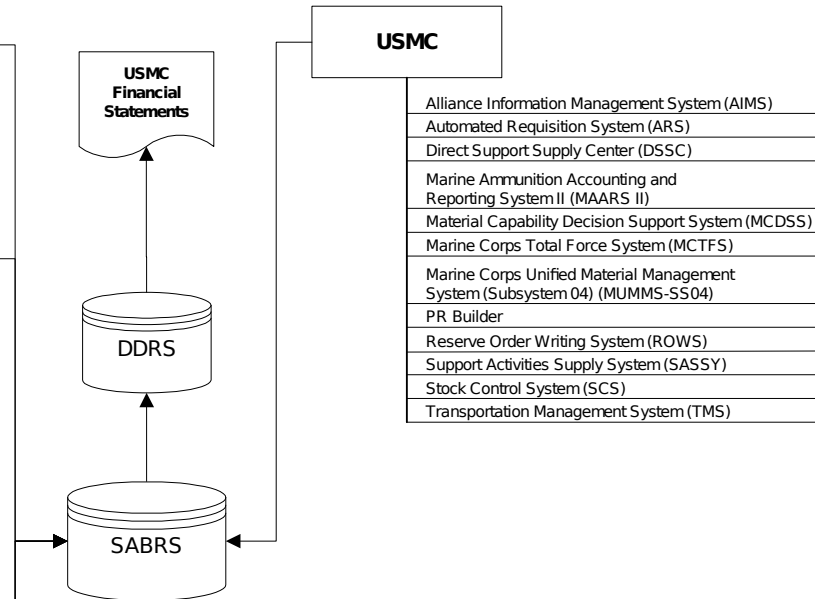


The Marine Corps has Identified the Systems and Owners of Feeder Systems

External Systems



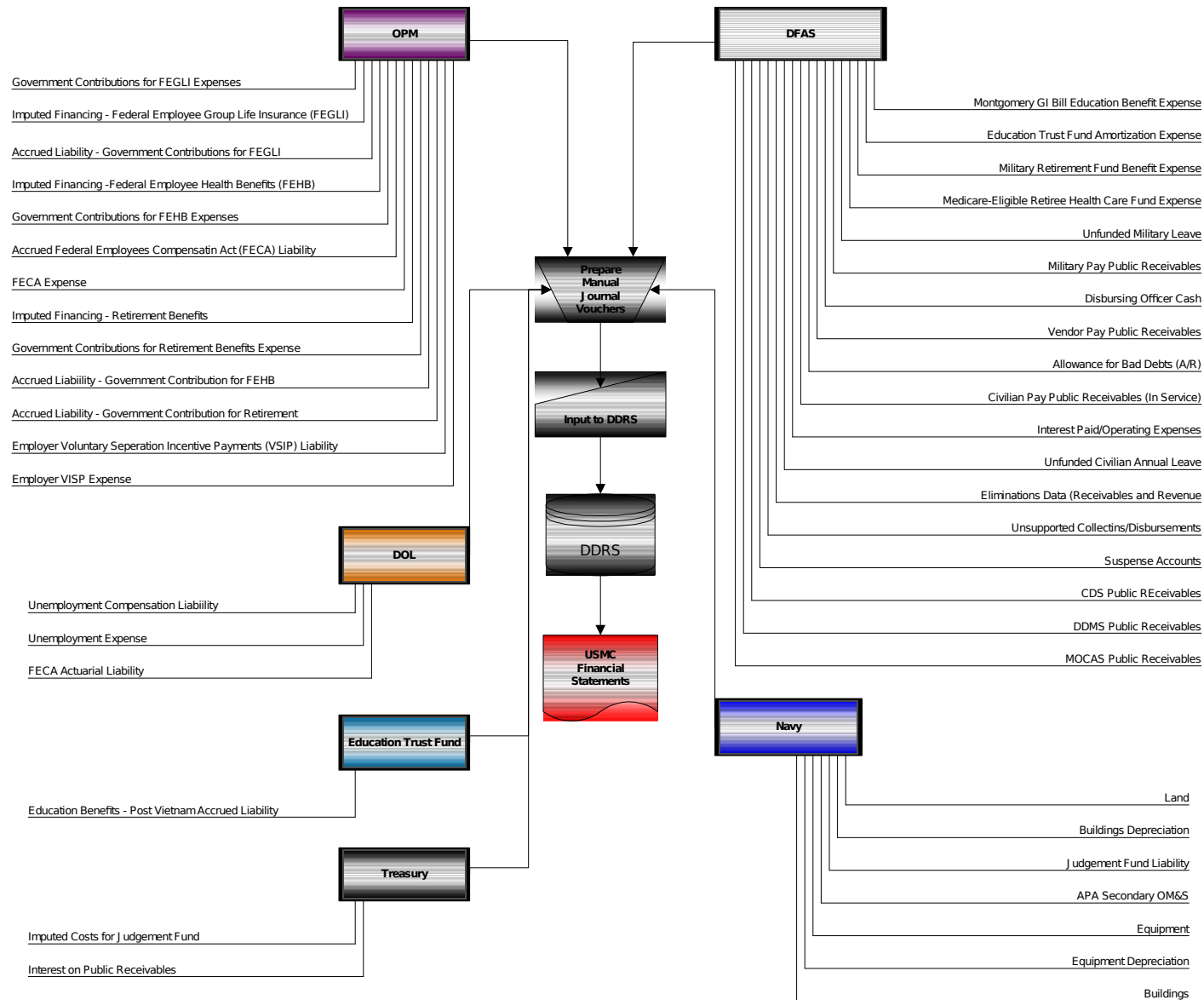
Internal Systems





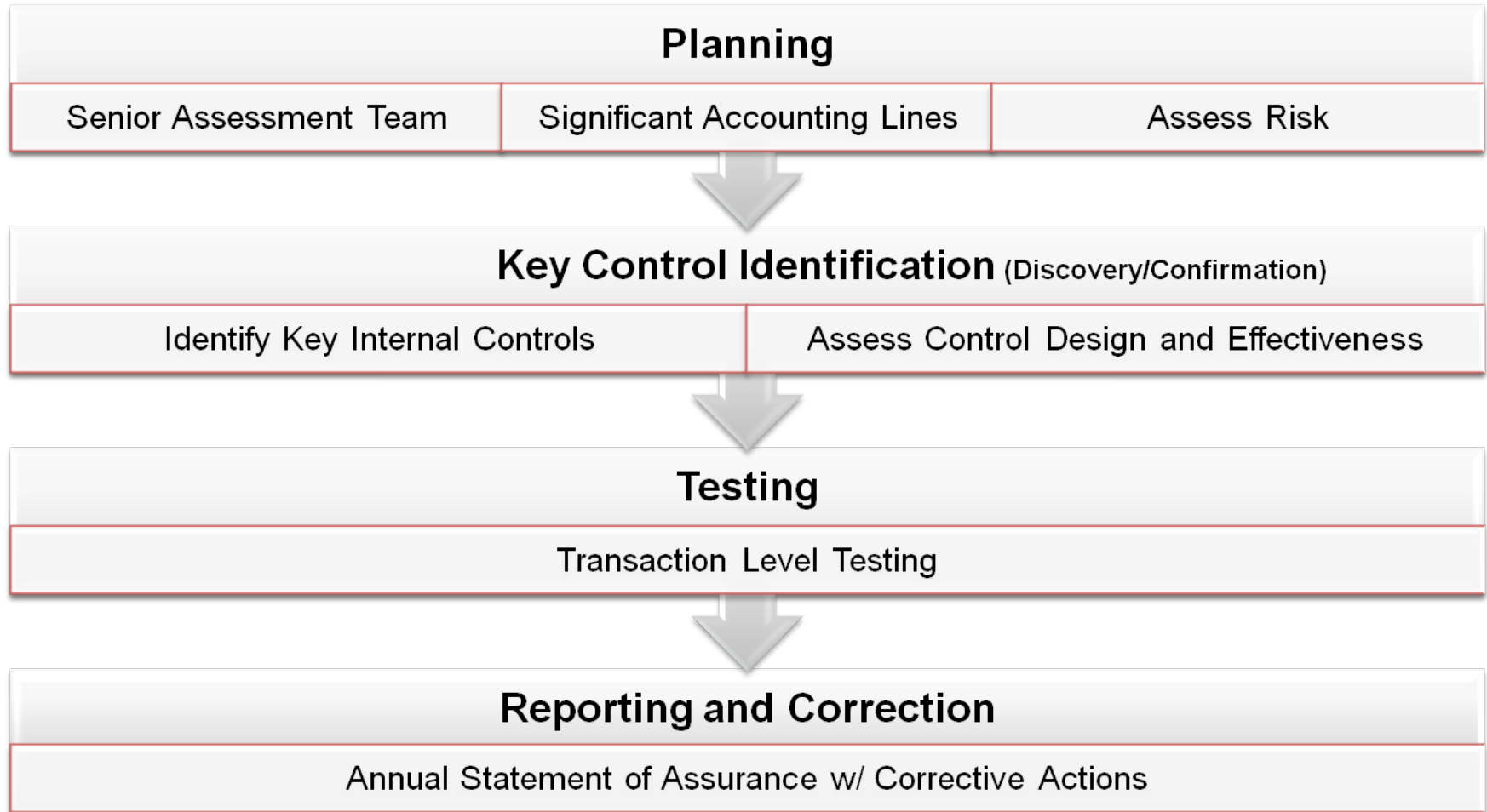
The Marine Corps has Identified Sources of Data Call Information

Marine Corps Financial Statement Data Call Sources and Financial Information





The Marine Corps' ICOFR Program Incorporates a Systemic Approach in Accordance with Guidance

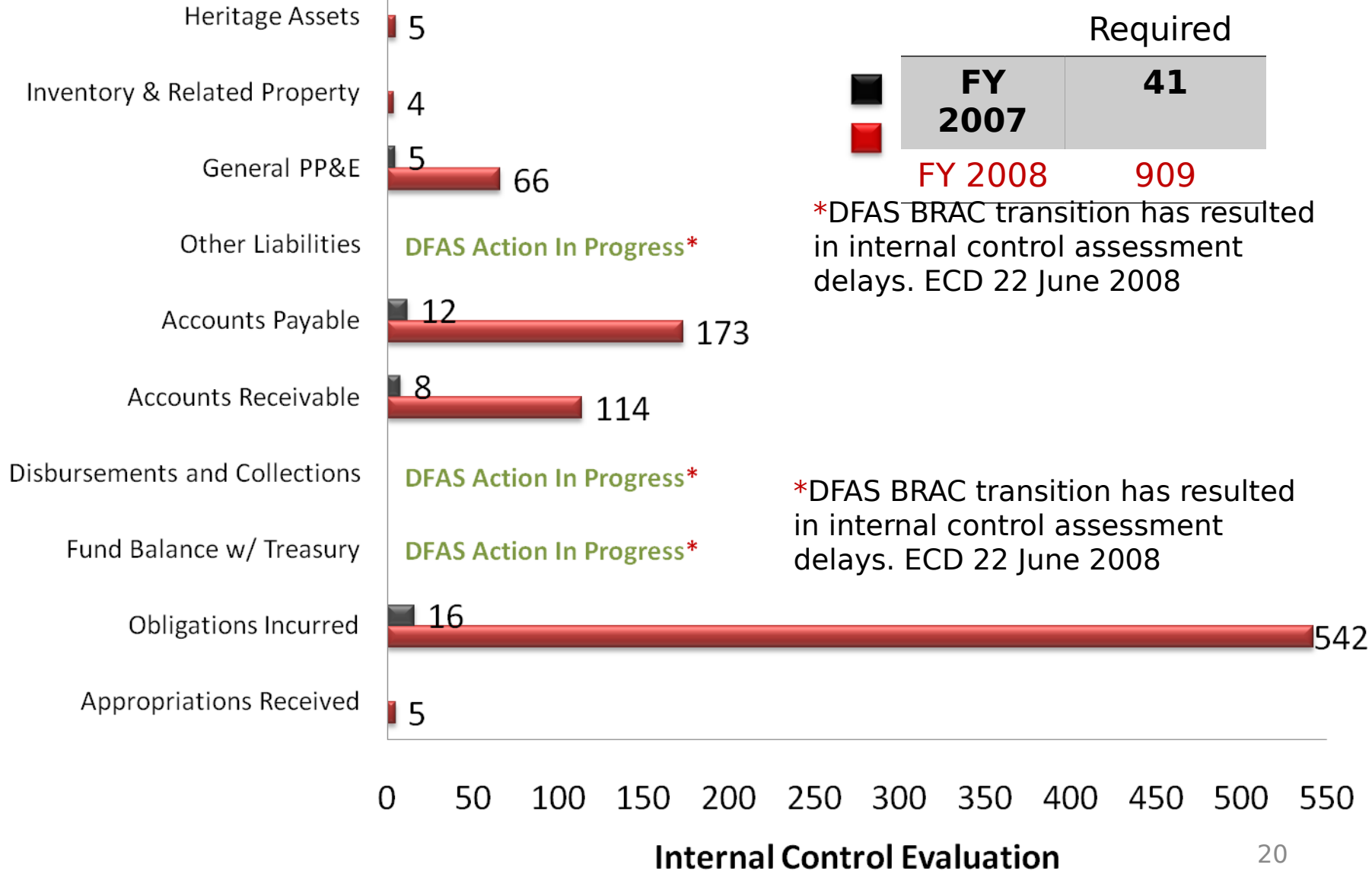


FY08 Internal Control Assessments by Line Item

Total Key Controls Tested:

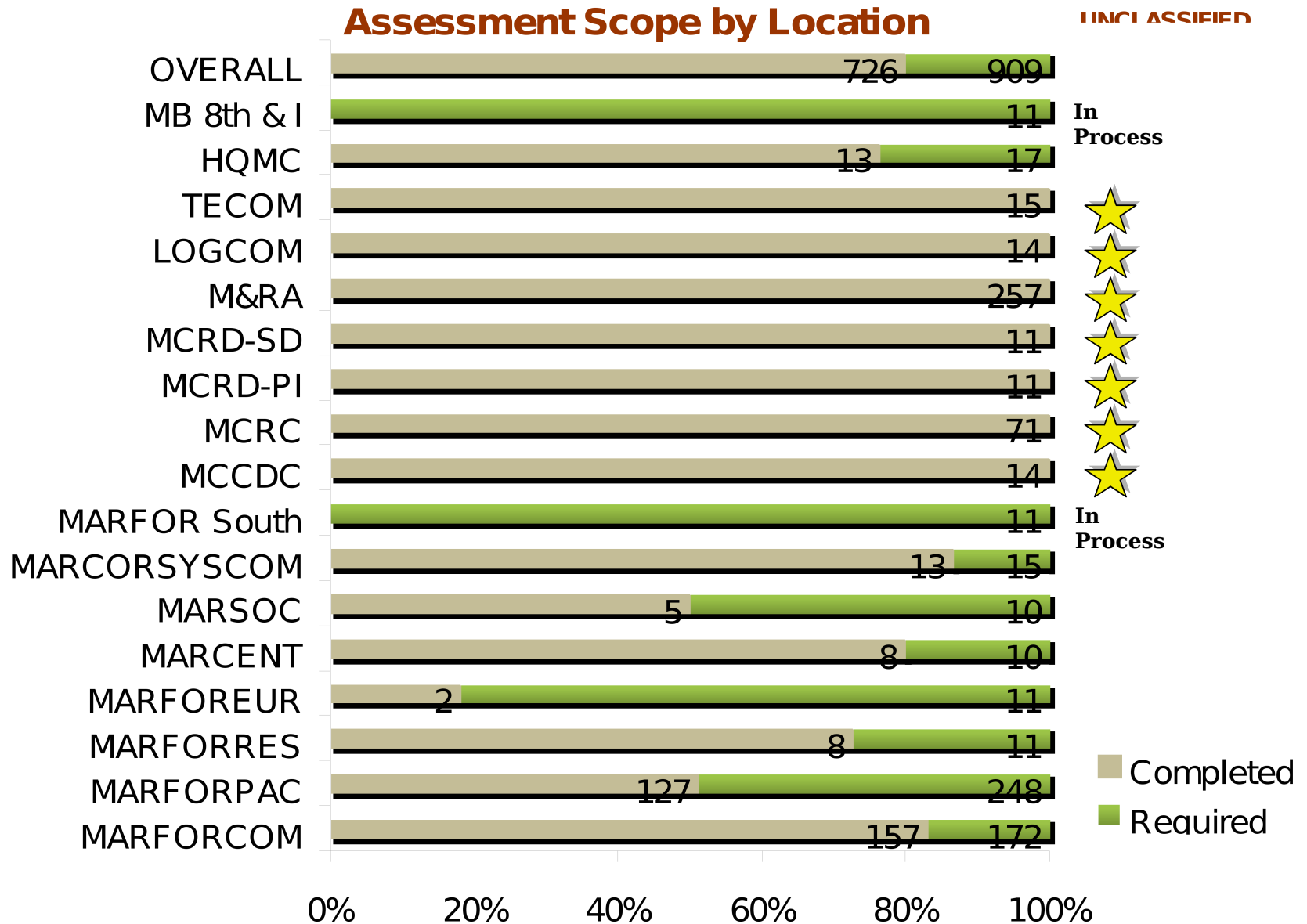
USMC 36

Environmental Liabilities (Non-DEP) No Assessment / Corrective Action Plan (FY07)





The Marine Corps' ICOFR Program Implementation Across the Marine Corps





Standard Accounting Budgeting & Reporting System (SABRS)

USMC General Fund Accounting System

- **Core Accounting System for all USMC General Funds**
 - Independently JFMIP tested and certified in configured operational environment
 - Independently assessed and meets all requirements of the FFMIA for core accounting systems
 - Independently test for Data structure compliant with phase 1 SFIS requirements
 - Independently assessed and compliant with FFMR (Blue Book)
- **SABRS was Designed to Provide and Does Provide**
 - A Detail Transaction Driven USSGL
 - Online general ledger updates
 - Batch general ledger update for multiple feeder system transactions
 - Exceptional processing efficiencies provide 22 hour daily system availability
 - Common interface file
 - Funds control check
 - Table driven
 - Provides real-time contingency cost reporting – Based on Latest Update
 - Command level trial balance reports
 - USSGL Trial Balance Feed to DDRS



Marine Corps Management Oversight, Monitoring and Control Activities Help Promote Accuracy, Completeness and Reliability of Financial Data

- Marine Corps Control Environment Consists of
 - Preventive Controls
 - Detective Controls
 - Monitoring Controls

Category	Controls	Purpose
"Deadly Sin" reports (SABRS performance reports)	<ul style="list-style-type: none">• Abnormal Accounts Payable Report• Abnormal Accounts Receivable Report• Abnormal Undelivered Order Report• Negative Unliquidated Obligations (NULO) Report• Outstanding Travel Advances Report• Unmatched Disbursements Report• Spending Errors Report• Invalid Transaction Recording Source Report• DCPS LOA/Fund Code Mismatch Report• Pre-Validation Failures Report• Missing Trading Partner Data Report• Interest Penalty Payments Report• Outstanding Military Interdepartmental Purchase Requests (MIPRs)/Work Requests (WR) All Years Report	Enable RFA to identify errors or abnormalities, segmented by various Marine Corps Commands
Tri-Annual Review and Post Analysis	<ul style="list-style-type: none">• Tri-Annual Review process• Tri-Annual Review Post Analysis Reports (Dormant Transactions, Outstanding Travel Documents, Outstanding Accounts Receivables, Unmatched Disbursements)	Enable RFA and MCFEAT to determine how well field activities are recording commitments and obligations.



Marine Corps Management Oversight, Monitoring and Control Activities Help Promote Accuracy, Completeness and Reliability of Financial Data

• Marine Corps Control Environment (Continued)

Category	Controls	Purpose
MCFEAT Inspections and Reports	<ul style="list-style-type: none">• Annual Assessment of Command Financial Procedures (Balanced Scorecard)• Prompt Payment Act Interests Report• WAWF Electronic Commerce Efficiency Report	Enable MCFEAT to evaluate financial management business practices and oversee financial management to improve the accuracy and timeliness of financial information recording and reporting.
Standard Operating Procedures	<ul style="list-style-type: none">• MCO 7300.21, Marine Corps Financial Execution Standard Operating Procedure Manual• MCO 7300, Draft Chapter 10, Reconciling Abnormal Financial Transactions• Tri-Annual Review User Navigation Guide• SABRS and Reportnet Access, SABRS Help, and System Change Request Standard Operating Procedure• SABRS Authorization Processing and Spending Transaction Processing	Aid financial personnel in generating and reviewing, reconciling, and resolving errors detailed in the SABRS performance reports
Training and Tools	<ul style="list-style-type: none">• Web-Based Training• Marine Corps Financial Management School	Provide personnel with knowledge needed to perform their duties including identifying and correcting erroneous transactions found in the "Deadly Sin" reports.



Marine Corps Management Oversight, Monitoring and Control Activities Help Promote Accuracy, Completeness and Reliability of Financial Data

• Marine Corps Compensating Controls

Automated Controls

Category	Controls	Purpose
Data Validation and Edit Checks	<ul style="list-style-type: none">• Required Fields• Data Definitions• Record Deletion Warning• Deletion General Ledger Check	Provide data validation and edit checks to reduce the risk of invalid, inaccurate, and incomplete data. These controls are intended to force users to enter valid data into SABRS.
Controls over Interfaces from External Systems	<ul style="list-style-type: none">• Data Validation• Error Handling• Reconciliations	Determine if files provided from external systems, containing transactions records to be processed in SABRS, are in the correct format to post the transactions in SABRS.

Table 5. Marine Corps SABRS Compensating Controls

Manual Controls

Category	Controls	Purpose
Daily Transaction Reconciliation	<ul style="list-style-type: none">• Reconcile transactions from daily cycle against supporting documentation	Provide transaction validation to reduce the risk of invalid, inaccurate, and incomplete data. These controls are intended to force users to enter valid data into SABRS.
Tri-Annual Review	<ul style="list-style-type: none">• Validation of all Dormant Transactions, Outstanding Travel Documents, Outstanding Accounts Receivables against the supporting documentation.	To validate and confirm that only valid transactions are recorded in the accounting system for the correct amount.
Year-end Certification of Commitments and Obligations	<ul style="list-style-type: none">• Fund Holder certification that all Obligations are properly supported	Validate that supporting documentation are available



The USMC Can Link Detail Transactions to Financial Statement Lines by Appropriation, Object Class and Financial Event

PROGRAM: JNRPTV3

STANDARD ACCOUNTING BUDGETING & REPORTING SYSTEM
MARINE CORPS FINANCIAL STATEMENT LINE TO TRANSACTIONS BY APPN
FINANCIAL STATEMENT: BALANCE SHEET
APPROPRIATION: 170735

PAGE: 1

LNE NO.	OBJ CLS	OBJECT CLASS DESCRIPTION	ORG SYSTEM DIC DIC ID	DIC DESCRIPTION	GLA AMOUNT	RECORD CNT
1A1A			IAA IAP SABRS	INITIAL APPROVED ALLOCATION	10,000,000.00	15
1A1A			JV1 SABRS	JV TRANSACTION, MONTHLY, TEMPORARY	5,462,000.00	54
TOTAL LINE 1A1A					15,462,000.00	69

1C
TOTAL LINE 1C
3A1
TOTAL LINE 3A1
3B
TOTAL LINE 3B
5B
TOTAL LINE 5B
5D
TOTAL LINE 5D
1A1A 003
1A1A 003
TOTAL LINE 1A1A

PROGRAM: JNRPTV3

STANDARD ACCOUNTING BUDGETING & REPORTING SYSTEM
MARINE CORPS FINANCIAL STATEMENT LINE TO TRANSACTIONS BY APPN
FINANCIAL STATEMENT: STATEMENT OF BUDGETARY RESOURCES
APPROPRIATION: 171105

PAGE: 61

LNE NO.	OBJ CLS	OBJECT CLASS DESCRIPTION	ORG SYSTEM DIC DIC ID	DIC DESCRIPTION	GLA AMOUNT	RECORD CNT
19B	008		DC8 DC8 DCAS	DCERPSMCERRS REIM COLL MAJRSC8	6,616.60	1
TOTAL LINE 19B					6,616.60	1
1	021		ADV ADV SABRSE&C	TRAVEL ADVANCE	0.00	8
1	117	MILITARY PERSONNEL	ADV	SABRS TRAVEL ADVANCE	0.00	1140
1	117	MILITARY PERSONNEL	ADV ADV SABRSE&C	TRAVEL ADVANCE	0.00	4944
1	117	MILITARY PERSONNEL	COB	SABRS COMMITMENT AND OBLIGATION	-132,291,859.08	15142
1	117	MILITARY PERSONNEL	COE	SABRS COMMIT OBLIGATION AND EXPENSE	-69,117,025.75	30
1	117	MILITARY PERSONNEL	COE MPA MCTFS	COMMIT OBLIGATION AND EXPENSE	-801,717,103.20	47
1	117	MILITARY PERSONNEL	DX0	SABRS DCERPS/MCERRS EXPENDITURE	898,117.23	2429
1	117	MILITARY PERSONNEL	DX0 DX0 DCAS	DCERPS/MCERRS EXPENDITURE	574,238,300.57	32710
1	117	MILITARY PERSONNEL	DX0 DX0 DCASMCTF	DCERPS/MCERRS EXPENDITURE	337,932,906.70	205
1	117	MILITARY PERSONNEL	EXP	WAWFAP EXPENSE	0.00	24
1	117	MILITARY PERSONNEL	SA3 ACE SABRS	SYSTEM ADJUSTED EXPENSE	0.00	48
1	117	MILITARY PERSONNEL	SA3 ADJ SABRS	SYSTEM ADJUSTED EXPENSE	0.00	46
1	117	MILITARY PERSONNEL	SA3 DX0 SABRS	SYSTEM ADJUSTED EXPENSE	0.00	12
TOTAL LINE 1					-90,056,663.53	56785
10	117	MILITARY PERSONNEL	COB	SABRS COMMITMENT AND OBLIGATION	5,108,356.82	968
10	117	MILITARY PERSONNEL	COE	SABRS COMMIT OBLIGATION AND EXPENSE	-74,602,249.00	48
10	117	MILITARY PERSONNEL	COE MPA MCTFS	COMMIT OBLIGATION AND EXPENSE	82,052,935.87	116
10	117	MILITARY PERSONNEL	OBL	SPS OBLIGATION	57.46	2
10	117	MILITARY PERSONNEL	OBL OBL SPS	OBLIGATION	296.47	12
10	117	MILITARY PERSONNEL	OEX	WAWFMP ADJUST OBLIGATION & EXPENSE	11,163.54	59
10	117	MILITARY PERSONNEL	SA2 ACE SABRS	SYSTEM ADJUSTED OBLIGATION	-40,076.27	24
10	117	MILITARY PERSONNEL	SA2 ADJ SABRS	SYSTEM ADJUSTED OBLIGATION	-20,936.91	23
10	117	MILITARY PERSONNEL	SA2 DX0 SABRS	SYSTEM ADJUSTED OBLIGATION	2.50	4
TOTAL LINE 10					12,509,550.48	1256



SABRS DDRS Trial Balance is Supported by Detail Transactions at the General Ledger Account

STANDARD ACCOUNTING BUDGETING & REPORTING SYSTEM TRIAL BALANCE VS TRANSACTIONS BY SYSTEM

APPN	GL-NO	SYS-ID	ORG DIC DIC	DR AMOUNT	CR AMOUNT	TRANS AMOUNT	TRANS COUNT
5	170735 1011	TRIALBAL		34619.28	0.00	0.00	0
0	170735 1011	DCAS	DC7 DC3	0.00	0.00	7203.01	1
0	170735 1011	DCAS	DC7 DC7	0.00	0.00	22982.06	24
0	170735 1011	SABRS	DC3	0.00	0.00	750.25	1
0	170735 1011	SABRS	DC7	0.00	0.00	3683.96	2
GL	TOTALS			34619.28	0.00	34619.28	28
5	170735 1012	TRIALBAL		0.00	-8152138.01	0.00	0
0	170735 1012	SABRS	JV1	0.00	0.00	0.00	2
0	170735 1012	DCPS	LBR ALL	0.00	0.00	-799775.04	667
0	170735 1012	ALLOCATI	ALA ALL	0.00	0.00	-227715.00	448
0	170735 1012	E&C	ADV ADV	0.00	0.00	1200.84	1
0	170735 1012	DCAS	DX0 DX0	0.00	0.00	-6210992.87	407
0	170735 1012	DCAS	FA1 FA1	0.00	0.00	-897.70	10
0	170735 1012	DCAS	FB1 FB1	0.00	0.00	-302.80	1
0	170735 1012	DCAS	FC1 FC1	0.00	0.00	-5830.70	4
0	170735 1012	DCAS	FG1 FG1	0.00	0.00	-10.47	1
0	170735 1012	DCAS	FJ1 FJ1	0.00	0.00	-2685.24	48
0	170735 1012	DCAS	FN1 FN1	0.00	0.00	-74.24	5
0	170735 1012	DCAS	FQ1 FQ1	0.00	0.00	-260.70	1
0	170735 1012	SABRS	DX0	0.00	0.00	-904794.09	51
GL	TOTALS			0.00	-8152138.01	-8152138.01	1646



The USMC Can Link Detail Financials to Financial Statement Line Item by Object Class and Financial Events

PROGRAM: JNRPTV4			STANDARD ACCOUNTING BUDGETING & REPORTING SYSTEM					PAGE: 4	
			MARINE CORPS FINANCIAL STATEMENT LINE TO TRANCTIONS BY OBJ CLASS						
			FINANCIAL STATEMENT: BALANCE SHEET						
=====									
LNE	OBJ		ORG	SYSTEM			GLA	RECORD	
NO.	CLS	OBJECT CLASS DESCRIPTION	DIC DIC	ID	DIC DESCRIPTION		AMOUNT	CNT	
=====									
3B	110	CIV LABOR	COE ACR	SABRS	COMMIT OBLIGATION AND EXPENSE		191,681.10	7	
TOTAL LINE	3B						191,681.10	7	
5B	110	CIV LABOR	ALL ALA	SABRS	COMMIT, OBL, EXP, AND LIQ		-571,917.27	5601	
5B	110	CIV LABOR	ALL LBR	DCPS	COMMIT, OBL, EXP, AND LIQ		54,855,093.85	15551	
=====									
PROGRAM: JNRPTV4			STANDARD ACCOUNTING BUDGETING & REPORTING SYSTEM					PAGE: 29	
			MARINE CORPS FINANCIAL STATEMENT LINE TO TRANCTIONS BY OBJ CLASS						
			FINANCIAL STATEMENT: STATEMENT OF BUDGETARY RESOURCES						
=====									
LNE	OBJ		ORG	SYSTEM			GLA	RECORD	
NO.	CLS	OBJECT CLASS DESCRIPTION	DIC DIC	ID	DIC DESCRIPTION		AMOUNT	CNT	
=====									
5B	110	10	210	TRAVEL/TRANSPORT OF PERSONNEL	SA2 DXO SABRS	SYSTEM ADJUSTED OBLIGATION	1,812,190.42	7953	
5B	110	10	210	TRAVEL/TRANSPORT OF PERSONNEL	SA2 EXP SABRS	SYSTEM ADJUSTED OBLIGATION	20.99	3	
TOTAL LINE	TOTAL LINE	10					-735,011.98	28156	
5D	110	13	210	TRAVEL/TRANSPORT OF PERSONNEL	ALL ALA SABRS	COMMIT, OBL, EXP, AND LIQ	0.00	2	
5D	110	13	210	TRAVEL/TRANSPORT OF PERSONNEL	COB ROWS	COMMITMENT AND OBLIGATION	-109,676.59	56	
5D	110	13	210	TRAVEL/TRANSPORT OF PERSONNEL	COB SABRS	COMMITMENT AND OBLIGATION	-1,571,463.85	1353	
5D	110	13	210	TRAVEL/TRANSPORT OF PERSONNEL	COB SABITRVL	COMMITMENT AND OBLIGATION	-1,391.10	1	
5D	110	13	210	TRAVEL/TRANSPORT OF PERSONNEL	COB COB DTS	COMMITMENT AND OBLIGATION	-1,598,959.16	3401	
5D	110	13	210	TRAVEL/TRANSPORT OF PERSONNEL	COB COB ROWS	COMMITMENT AND OBLIGATION	-2,437,434.22	448	
5D	110	13	210	TRAVEL/TRANSPORT OF PERSONNEL	COB COB SABITRVL	COMMITMENT AND OBLIGATION	-485,310.03	422	
5D	110	13	210	TRAVEL/TRANSPORT OF PERSONNEL	COE SABRS	COMMIT OBLIGATION AND EXPENSE	-1,695,834.62	444	
5D	110	13	210	TRAVEL/TRANSPORT OF PERSONNEL	DXO SABRS	DCERPS/MCERRS EXPENDITURE	-3,309,769.43	2675	
5D	110	13	210	TRAVEL/TRANSPORT OF PERSONNEL	DXO DXO DCAS	DCERPS/MCERRS EXPENDITURE	-26,795,048.20	48340	
TOTAL LINE	13	210	TRAVEL/TRANSPORT OF PERSONNEL	DXO DXO DCASMCTF	DCERPS/MCERRS EXPENDITURE		177.30	1	
		13	210	TRAVEL/TRANSPORT OF PERSONNEL	OEX WAWFMP	ADJUST OBLIGATION & EXPENSE	-893.48	10	
		13	210	TRAVEL/TRANSPORT OF PERSONNEL	RRE DXT DCAS	REFUND RECEIVABLE	0.00	136	
		13	210	TRAVEL/TRANSPORT OF PERSONNEL	RRE DXT SABRS	REFUND RECEIVABLE	0.00	6	
		13	210	TRAVEL/TRANSPORT OF PERSONNEL	RRE RRT DTS	REFUND RECEIVABLE	0.00	242	
		13	210	TRAVEL/TRANSPORT OF PERSONNEL	SA2 ADJ SABRS	SYSTEM ADJUSTED OBLIGATION	-3,468,434.20	1417	
		13	210	TRAVEL/TRANSPORT OF PERSONNEL	SA2 DEC SABRS	SYSTEM ADJUSTED OBLIGATION	-128,292.11	89	
		13	210	TRAVEL/TRANSPORT OF PERSONNEL	SA2 DXO SABRS	SYSTEM ADJUSTED OBLIGATION	-1,866,131.91	8161	
		13	210	TRAVEL/TRANSPORT OF PERSONNEL	SA2 EXP SABRS	SYSTEM ADJUSTED OBLIGATION	-20.99	3	
		13	210	TRAVEL/TRANSPORT OF PERSONNEL	SA4 DEC SABRS	SYSTEM ADJUSTED LIQUIDATION	0.00	160	
TOTAL LINE	13						-43,468,482.59	67367	



The USMC Report Line, General Ledger Account to Detail Transactions

PROGRAM: JNRPTV1			STANDARD ACCOUNTING BUDGETING & REPORTING SYSTEM		PAGE: 1
			MARINE CORPS FINANCIAL STATEMENT LINE TO GENERAL LEDGER ACCOUNT		
			FINANCIAL STATEMENT: BALANCE SHEET		
REPORT LINE	SABRS GLA	NORMAL BALANCE	GENERAL LEDGER DESCRIPTION	GENERAL LEDGER AMOUNT	RECORD COUNT
1A1A	1011	DR	FUNDS COLLECTED	67,953,672.72	1,600
1A1A	1012	CR	FUNDS DISBURSED	-2,401,560,055.02	313,570
1A1A	1013	DR	FUNDS W/ TREASURY	5,610,841,891.93	261
1A3	1310A	DR	ACCOUNTS RECEIVABLE-GOVERNMENT-CURRENT	-35,280,344.88	7,503
1C	1310C	DR	ACCOUNTS RECEIVABLE-PUBLIC-CURRENT	-29,325,367.65	2,801
1C	1316N	DR	REFUNDS RECEIVABLE-PUBLIC NON ENTITY	43,124.81	5
1C	1316RRG	DR	MILITARY PAY (IN SERVICE DEBT ONLY)	338,193.09	3
1C	1316RRH	DR	CIVILIAN PAY (IN SERVICE DEBT ONLY)	-260,155.41	2

PROGRAM: JNRPTV1			STANDARD ACCOUNTING BUDGETING & REPORTING SYSTEM		PAGE: 4
			MARINE CORPS FINANCIAL STATEMENT LINE TO GENERAL LEDGER ACCOUNT		
			FINANCIAL STATEMENT: STATEMENT OF BUDGETARY RESOURCES		
REPORT LINE	SABRS GLA	NORMAL BALANCE	GENERAL LEDGER DESCRIPTION	GENERAL LEDGER AMOUNT	RECORD COUNT
1F	1	4901207	CR DELIVERED ORDERS-OBL-UNPD-REIM-NONFED SOURCE	130,847.18	357
1H	1	4901208	CR DELIVERED ORDERS-OBL-UNPAID-REIM-FMS TR FUND	79,475.21	38
1H	1	4901209	CR DELIVERED ORDERS-OBL-UNPAID-REIM-FMS TR FUND	-799.99	7
1H	1	4901210	CR DELIVERED ORDERS-OBL-UNPAID-REIM-OFF BUDGET	-30,943.62	125
1H	1	4901214	CR DELIVERED ORDERS-OBL-UNPAID-REIM-OTH NONDEF	-852.04	23
3A1	10	4650	CR ALLOTMENTS-EXPIRED AUTHORITY	30,142,019.62	117,664
3A3	12B	4222A01	DR UNFILLED CUST ORDER-W ADV-AUTO-INTRAFUND	191,681.10	7
3B	13	4881D	CR UPWARD ADJ OF PY UNPAID UNDEL ORD-OBLIG-DIREC	-116,799,291.07	39,344
3B	13	4881R01	CR UP ADJ OF UNPD PY UNDELIV ORD-OBL-INTRAFUND	-74,386.08	125
	13	4881R03	CR UP ADJ OF UNPD PY UNDELIV ORD-OBL-OTH DEF ACC	-1,673,007.65	488
	13	4881R05	CR UP ADJ OF UNPD PY UNDELIV ORD-OBL-OTH DEF ACC	-723.96	4
	13	4881R06	CR UP ADJ OF UNPD PY UNDELIV ORD-OBL-NON FED SRC	-62,972.40	14
	13	4881R07	CR UP ADJ OF UNPD PY UNDELIV ORD-OBL-NON FED SRC	-160,351.76	39
	13	4881R08	CR UP ADJ OF UNPD PY UNDELIV ORD-OBL-FMS TRUST	-2,068.32	11
	13	4881R10	CR UP ADJ OF UNPD PY UNDELIV ORD-OBL-OFF BUDGET	-3,974.07	6
	13	4881R14	CR UP ADJ OF UNPD PY UNDELIV ORD-OBL-OTH NON DEF	-935.00	1



The USMC Can Link Detail Transactions to Financial Statement Line Item and General Ledger by Organization

PROGRAM: JNGLCRPT PAGE: 9

STANDARD ACCOUNTING BUDGETING & REPORTING SYSTEM
MARINE CORPS FINANCIAL STATEMENT LINKAGE
FROM FINANCIAL STATEMENT LINE BY MRI, WCI
FOR FINANCIAL STATEMENT: BALANCE SHEET

RPT LINE	GLA NUMBER	MAJOR CMD	WORK CENTER	WORK CENTER DESCRIPTION	GLA AMOUNT	RECORD COUNT
1E	1511	M67854	M68909	MARINE CORPS MOBILIZATION COMMAND	-166,149.48	105
1E	1511	M67856	M30407	PRESIDENT, MARINE CORPS UNIV	-545,196.18	21
1E	1511	M67861	M29050	3D MARINE LOGISTICS GROUP	-244,903.05	114
1E	1511	M67861	M67021	12TH MARINE CORPS DISTRICT, CA	-75,087.85	27
1E	1511	M67861	M67861	MARINE CORPS WORLD WIDE TRAVEL	-5,940,949.72	243
1E	1511	M67861	M68479	COMMANDING GENERAL, MCRD, PARRIS ISLAND	-1,741,110.28	84
1E	1511	M67898	M67899	MARINE CORPS CENTRAL COMMAND	-56,355,797.66	14,562
1E	1511	M67906	M67906	MARINE FORCES NORTH	-415,870.46	126

PROGRAM: JNGLCRPT PAGE: 198

STANDARD ACCOUNTING BUDGETING & REPORTING SYSTEM
MARINE CORPS FINANCIAL STATEMENT LINKAGE
FROM FINANCIAL STATEMENT LINE BY MRI, WCI
FOR FINANCIAL STATEMENT: STATEMENT OF BUDGETARY RESOURCES

RPT LINE	GLA NUMBER	MAJOR CMD	WORK CENTER	WORK CENTER DESCRIPTION	GLA AMOUNT	RECORD COUNT
2	4971R03	M67004	M67004	MARINE CORPS BASE, CAMP LEJEUNE NC 28542	69.50	1
2	4971R03	M67025	M62204	BEAUFORT	488.30	3
2	4971R03	M67025	M67884	MCAS MIRAMAR	35.01	1
2	4971R03	M67026	M00146	HEADQUARTERS MARINE CORPS, P&R, TSO	363.00	1
2	4971R03	M67026	M20180	22ND MARINE EXPEDITIONARY UNIT	6.48	1
2	4971R03	M67026	M67008	MARCORLOGCMD	211,924.66	33
2	4971R03	M67898	M67899	MARINE CORPS CENTRAL COMMAND	232,798.11	5
2	4971R06	M67004	M67004	MARINE CORPS BASE, CAMP LEJEUNE NC 28542	22,747.64	23
2	4971R06	M67026	M60169	U.S. MARINE FORCES KOREA	3,480.80	2
2	4971R07	M67004	M67004	MARINE CORPS BASE, CAMP LEJEUNE NC 28542	2,373.00	1
2	4971R07	M67025	M00318	ANDERSON HALL	132.00	1
2	4971R07	M67025	M00681	MARINE CORPS BASE, KANEHOE BAY, HAWAII	2,250.00	1
REPORT LINE	2	TOTALS			288,126,818.72	35,723
3A	4114				28,233.00	1
3A	4119				3,912,804,000.00	14
3A	4511				-1,311,413,000.00	53
3A	4513				15,500,000.00	1
3A	4530				-7,738,000.00	69
3A	4530	M67854	M67854	BLOUNT ISLAND CMD	165,437,000.00	161



The USMC Can Link Detail Transactions to Financial Statement Lines by General Ledger by System and System Owner

PROGRAM: JNRPTV5		STANDARD ACCOUNTING BUDGETING & REPORTING SYSTEM				PAGE: 1	
		MARINE CORPS FINANCIAL STATEMENT LINE TO GENERAL LEDGER ACCOUNT					
		FINANCIAL STATEMENT: <u>BALANCE SHEET</u>					
REPORT LINE	SABRS GLA	GENERAL LEDGER DESCRIPTION		SYSTEM ID	SYSTEM OWNER	GENERAL LEDGER RECORD AMOUNT	COUNT
1A1A	1011	FUNDS COLLECTED		DCAS	DFAS	66,777,339.90	1,452
1A1A	1011	FUNDS COLLECTED		SABRS	DFAS	1,176,332.82	148
1A1A	1012	FUNDS DISBURSED		DCAS	DFAS	-1,952,334,257.08	220,987
1A1A	1012						
1A1A	1012						
1A1A	1012						
1A1A	1012						
1A1A	1012						
1A1A	1012						
1A1A	1013						
TOTAL LINE: 1							
1A3	1310A						
1A3	1310A						
1A3	1310A						
1A3	1310A	16	4871R10	DOWNWRD ADJ OF UNPD PY UNDELIV ORD-OFF BUDGET	SPS BTA	7,560.56	64
1A3	1310A	16	4871R14	DOWNWRD ADJ OF UNPD PY UNDELIV ORD-OTH NON DE	SABRS DFAS	1,371.17	1
1A3	1310A	16	4971D	DOWN ADJ OF PY UNPD DELIV ORDERS-OBL-DIRECT	BSME DLA	163.96	7
1A3	1310A	16	4971D	DOWN ADJ OF PY UNPD DELIV ORDERS-OBL-DIRECT	CRC CITIBANK	726,691.57	985
1A3	1310A	16	4971D	DOWN ADJ OF PY UNPD DELIV ORDERS-OBL-DIRECT	DCAS DFAS	54,602.63	67
1A3	1310A	16	4971D	DOWN ADJ OF PY UNPD DELIV ORDERS-OBL-DIRECT	DSSC USMC	4,416.29	8
1A3	1310A	16	4971D	DOWN ADJ OF PY UNPD DELIV ORDERS-OBL-DIRECT	IDBDAASC USMC	280,349.42	56
1A3	1310A	16	4971D	DOWN ADJ OF PY UNPD DELIV ORDERS-OBL-DIRECT	MCTFS USMC	149,138.89	43
1A3	1310A	16	4971D	DOWN ADJ OF PY UNPD DELIV ORDERS-OBL-DIRECT	PWRTRACK US BANK	3,630,990.45	2,112
TOTAL LINE: 1		16	4971D	DOWN ADJ OF PY UNPD DELIV ORDERS-OBL-DIRECT	SABRS DFAS	164,573,551.89	2,202
		16	4971D	DOWN ADJ OF PY UNPD DELIV ORDERS-OBL-DIRECT	SABRSE&C DFAS	397,285.51	62
		16	4971D	DOWN ADJ OF PY UNPD DELIV ORDERS-OBL-DIRECT	WAWFMP BTA	19,474.52	2
		16	4971R01	DOWN ADJ OF PY UNPD DELIV ORD-OBL-INTRAFUND	CRC CITIBANK	5,508.92	2
		16	4971R01	DOWN ADJ OF PY UNPD DELIV ORD-OBL-INTRAFUND	SABRS DFAS	-7,306,858.31	6
		16	4971R03	DWN ADJ OF PY UNPD DEL ORD-OBL-OTH DEF ACCTS	CRC CITIBANK	580.31	5
		16	4971R03	DWN ADJ OF PY UNPD DEL ORD-OBL-OTH DEF ACCTS	DSSC USMC	6.48	1
		16	4971R03	DWN ADJ OF PY UNPD DEL ORD-OBL-OTH DEF ACCTS	SABRS DFAS	336,834.48	42
		16	4971R06	DWN ADJ OF PY UNPD DELIV ORD-OBL-NONFED SOURC	CRC CITIBANK	3,480.80	2
		16	4971R06	DWN ADJ OF PY UNPD DELIV ORD-OBL-NONFED SOURC	PWRTRACK US BANK	22,747.64	23
		16	4971R07	DWN ADJ OF PY UNPD DELIV ORD-OBL-NONFED SOURC	SABRS DFAS	4,755.00	3
TOTAL LINE: 16						288,126,818.72	35,723



Transactions are Supported by Documented Business Process Flows

PROGRAM: JNRPTV4

STANDARD ACCOUNTING BUDGETING & REPORTING SYSTEM
MARINE CORPS FINANCIAL STATEMENT LINE TO TRANSCIONS BY OBJ CLASS
FINANCIAL STATEMENT: STATEMENT OF BUDGETARY RESOURCES

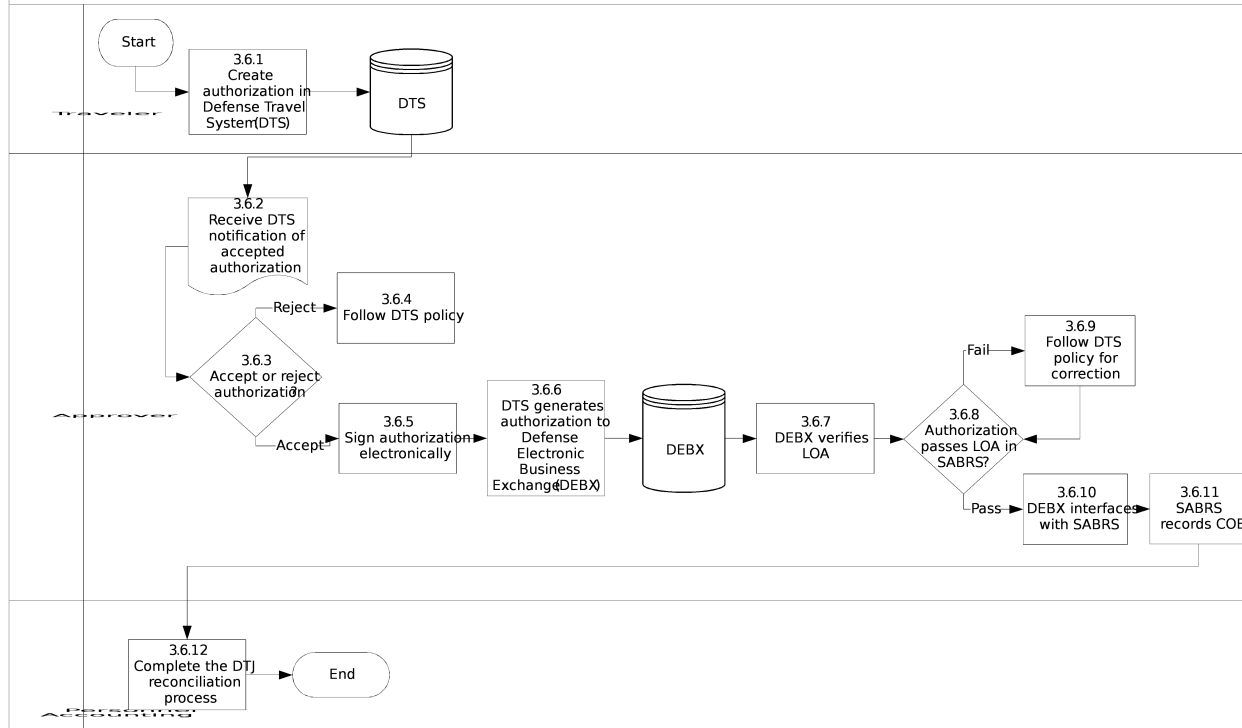
PAGE: 29

LNE NO.	OBJ CLS	OBJECT CLASS DESCRIPTION	ORG DIC	SYSTEM DIC	ID	DIC DESCRIPTION	GLA AMOUNT	RECORD CNT
10	210	TRAVEL/TRANSPORT OF PERSONNEL	SA2	DX0	SABRS	SYSTEM ADJUSTED OBLIGATION	1,812,190.42	7953
10	210	TRAVEL/TRANSPORT OF PERSONNEL	SA2	EXP	SABRS	SYSTEM ADJUSTED OBLIGATION	20.99	3
TOTAL LINE		10					-735,011.98	28156
13	210	TRAVEL/TRANSPORT OF PERSONNEL	ALL	ALA	SABRS	COMMIT, OBL, EXP, AND LIQ	0.00	2
13	210	TRAVEL/TRANSPORT OF PERSONNEL	COB		ROWS	COMMITMENT AND OBLIGATION	-109,676.59	56
13	210	TRAVEL/TRANSPORT OF PERSONNEL	COB		SABRS	COMMITMENT AND OBLIGATION	-1,571,463.85	1353
13	210	TRAVEL/TRANSPORT OF PERSONNEL	COB		SAB1TRVL	COMMITMENT AND OBLIGATION	-1,391.10	1
13	210	TRAVEL/TRANSPORT OF PERSONNEL	COB	COB	DTS	COMMITMENT AND OBLIGATION	-1,598,959.16	3401
13	210	TRAVEL/TRANSPORT OF PERSONNEL	COB	COB	ROWS	COMMITMENT AND OBLIGATION	-2,437,434.22	448
							-485,310.03	422
							-1,695,834.62	444
							-3,309,769.43	2675
							-26,795,048.20	48340
							177.30	1
							-893.48	10
							0.00	136
							0.00	6
							0.00	242
							-3,468,434.20	1417
							-128,292.11	89
							-1,866,131.91	8161
							-20.99	3
							0.00	160
							-43,468,482.59	67367

3. Funds Execution

3.6 COB - DTS Travel Orders

PFD-0001





Benefit of Auditing Statement of Budgetary Resources

- **A means of assessing the reliability of reported budget execution data**
- **SBR and related note disclosure serve as a tool to link budget execution to the “actual” column of the Presidential Budget**
- **Testing significant provisions of relevant laws and regulations**
- **Represent a key component of the federal financial accounting and reporting framework**
- **Reports the status of budgetary resources**
- **Is the only principal financial statement based on the budgetary general ledger accounts and activities**
- **Audit procedures to include test of U.S. Treasury FACTS II and Office of Management and Budget SF-133 reporting requirements**
- **Provides link to SF-133, Report on Budget Execution and Budgetary Resources**
- **Supported by SABRS core financial system detailed transactions**
- **Aligns with USMC budget execution transaction cycles and business processes**
- **Is supported by USMC RFA system of compensating controls, reconciliation, SABRS/feeder system controls and validation**



Statement of Budgetary Resources Completeness Supported By

- 1. Controls over recorded document values are conducted through several process -**
 - Imbedded SABRS core financial system document and validation controls**
 - Designed document statistical and status reports generated through the SABRS core financial system**
 - Documented (Undelivered Order) Tri-annual reporting**
 - Contract officer reconciliation and process controls**
- 2. Documented history file analysis is available to facilitate periodic review**
- 3. SF-133 monthly reporting and reconciliation to SABRS core financial system control records**
- 4. FBWT reconciliation procedures including Unmatched Disbursement (UMD) liquidation process**
- 5. USMC financial manager maintained pending transaction reports**



What Separates the Marine Corps From the Rest

- **Strength of USMC general fund is financial management of budgetary resources, execution and reporting**
- **SABRS core accounting system**
- **Interfaces between SABRS, receiving, entitlement, and payment systems**
- **Compensating Controls**
- **Documented processes and procedures**
- **Detail funds balance with treasury reconciliation**
- **General Ledger to SF-133 reconciliation**
- **USSGL**
- **SBR presents budgetary resources and expenditures supported at the transaction level**